

Central Intelligence Agency
Washington, D.C. 20505

DCI/DDCI Executive Staff

1 December 1988

NOTE FOR: ^B DDCI ⁸
DCI

Attached is Jim Taylor's proposed ~~final transition package as requested in the Duberstein tasking memo~~. This version of the package includes additional material on EEO-related subjects and a revised table of contents that can be used as a cross-reference to the original outline proposed in the Duberstein memo. Also attached is a draft cover memo to the package that could be addressed to whomever is to receive the package. Outside of the EEO material, no other additional personnel information was added. Jim believes the present amount of personnel data in the package is a sufficient response.

*There is nothing in here on Community
budget or structure, or DCI role in
Community.*
Re.

DCI
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REG

Executive Director

28 November 1988

NOTE FOR: DCI

SUBJECT: Transition Briefing Book

Attached is a package of briefing material for transition use which was drawn directly from the earlier package you saw, and which includes some new material designed to make it responsive to Ken Duberstein's memo to us last week. With the exception of certain personnel data that we will have tomorrow, I think it's complete. Because this package is based on the earlier one, assembled without benefit of White House guidance, there is more here than Duberstein has asked for.

I have still not had a call back indicating that anybody wants this. As I said this morning, the transition team wanted no classified information. My recommendation, until we hear differently, is that you glance through this again, familiarize yourself with its contents, and be prepared to decide that it can be released in its present form should an authorized recipient appear.'



James H. Taylor

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Att:

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MEMORANDUM FOR:

FROM: Director of Central Intelligence

SUBJECT: Transition Briefing Package

1. The attached booklet contains a brief summary of a number of important non-substantive or functional intelligence issues which the DCI (as head of the CIA) will be facing in the coming months. It also covers most of the points raised in Ken Duberstein's tasking memorandum of 21 November 1988. (A companion package contains similar background material on the Intelligence Community as a whole.)

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2. Each issue paper in the attachment contains a brief description of the basic problem or situation being addressed, indicates where the issue stands now, and, where appropriate, provides some suggested approaches or solutions to the problem. The overview paper at the beginning and the subsequent Tab on delegation of DCI authorities provide a brief summary of the basic mission, functions, and responsibilities of the Agency and of the DCI's authorities. Because the Agency is not in the policymaking arena, we did not provide the requested "calendar of major events, decisions, and milestones...for the Bush Administration", nor have we included the requested review of recent "management studies" conducted by the Agency, because most of these are confidential reports to me from my Inspector General. (We did, however, do management studies in connection with the recent establishment of the Counterintelligence Center and the strengthening of the Office of the Inspector General, which you are welcome to see.) Aside from these two points, all of the other items raised in Duberstein's tasking memo are touched on in the attached package.

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3. In effect, the initial overview paper describes in very general terms what it is we do here, while the issue papers briefly describe some of the things that we believe need to be done by the DCI and a new Administration in the intelligence arena. Some of the papers--like the one on leaks of classified intelligence information--address virtually intractable problems. Others--like the papers on our relationship with the Congress, on law-enforcement issues, resources, and overseas security--address problems that are difficult but solvable, given good-faith, cooperative efforts between us and other players. Still other issues--like how we should organize ourselves to attack the narcotics problem--are within the DCI's authority to do something about unilaterally.

4. I and my staff would be glad to discuss any of these issues with you in greater detail or provide additional information on these and other issues, as needed. In the meantime, I ask that you limit access to this document to those who have the appropriate clearances as well as a need to know.

William H. Webster

Attachment:

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FUNCTIONAL INTELLIGENCE
ISSUES
FACING A NEW ADMINISTRATION

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CIA OVERVIEW

The Central Intelligence Agency is charged with two basic responsibilities--coordinating and providing services of common concern to the numerous intelligence activities of the US Government, and collecting, evaluating, analyzing, producing and disseminating national-level intelligence to the President and other US policymakers. Those responsibilities were assigned to the Agency by the National Security Act of 1947, which evolved from the country's intelligence experience of World War II and the demonstrated need for a centralized or national-level intelligence coordinating authority. Although the world--and the focus of CIA's activities--has changed considerably since then, the Agency's basic responsibilities have remained the same, modified and elaborated on by the CIA Act of 1949 and a variety of Executive Orders and other directives over time.

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Organization and Functions

The DCI and DDCI are the statutory leaders of the CIA. They carry out their supervisory and management responsibilities through four principal directorates--Intelligence, Operations, Science and Technology, and Administration. They also provide leadership and direction to the Intelligence Community as a whole. The Executive Director provides day-to-day management for CIA, and assists the DCI and DDCI in establishing policies that affect the Agency's mission and functions and its relationship to the rest of the government.

[REDACTED]

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In addition, within CIA, there are seven components or independent offices that assist the DCI, DDCI and Executive Director in ensuring accountability and discipline, conducting relations with the Congress, legal matters, program development and resource management, relations with the media, the production of National Intelligence Estimates and substantive relations with the policy community, and establishment of embassy security standards.

[REDACTED]

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Directorate of Intelligence. The DI processes information from all intelligence sources, organizes information relating to specific substantive issues, and conducts research and analysis to support US policymakers. Five geographic offices--Soviet, European, Near Eastern and South Asian, East Asian, and African and Latin American--conduct multidisciplinary analysis on all countries and topics within their areas of responsibility.

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In addition, six functional offices analyze a variety of international issues, including such specialized topics as narcotics, weapons transfers, political instability, and foreign deception and denial. They also assess the technical capabilities of foreign weapons and space systems, produce biographic intelligence and provide reference services, publish the National Intelligence Daily and the President's Daily Brief, produce CIA maps and graphics, and manage the CIA's 24-hour Operations Center. There also is a separate staff that deals exclusively with arms control issues.

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Directorate of Operations. The DO is responsible for the clandestine collection of foreign intelligence and the conduct of counterintelligence activities abroad, for the coordination of such collection and activities carried out by other US agencies abroad, for overt collection of foreign intelligence from cooperating sources within the United States, for the conduct of covert action activities as directed by the President, and for the Agency's counterterrorism effort. [REDACTED]

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Directorate of Science and Technology. The DS&T conducts the Agency's programs for signals intelligence (SIGINT) collection; research, development, and engineering; open-source media collection; and technical support to the clandestine collection activities of the Directorate of Operations. [REDACTED]

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Directorate of Administration. The DA provides support services for all CIA activities and other Intelligence Community agencies as required, and advises CIA managers on administrative matters. These support services include the full spectrum of Agency training needs, logistic support to both domestic and overseas Agency activities, the CIA personnel and financial systems, and a worldwide communications network for the Agency and other federal agencies, which it operates jointly with the Department of State. [REDACTED]

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In addition, this Directorate provides centralized computer services for CIA and data-processing assistance for several Intelligence Community systems, a wide variety of medical programs on behalf of Agency employees and the Intelligence Community in its counterterrorism efforts, a comprehensive worldwide protection program for Agency personnel and facilities, and a technical surveillance countermeasures training center for the Intelligence Community. [REDACTED]

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CIA and the Intelligence Community

In addition to being the President's chief advisor on national intelligence matters and the head of CIA, the DCI is the senior intelligence officer responsible for coordinating the nation's overall foreign intelligence effort. In this capacity, he is responsible for developing the National Foreign Intelligence Program budget and for directing the tasking of all Intelligence Community collection elements. CIA and the Intelligence Community (IC) Staff support the DCI in this role, with CIA providing staff support for several DCI intelligence collection and production committees, coordinating the production of substantive national intelligence with other Community components, and providing general support to the IC Staff and other specialized intelligence activities. [REDACTED]

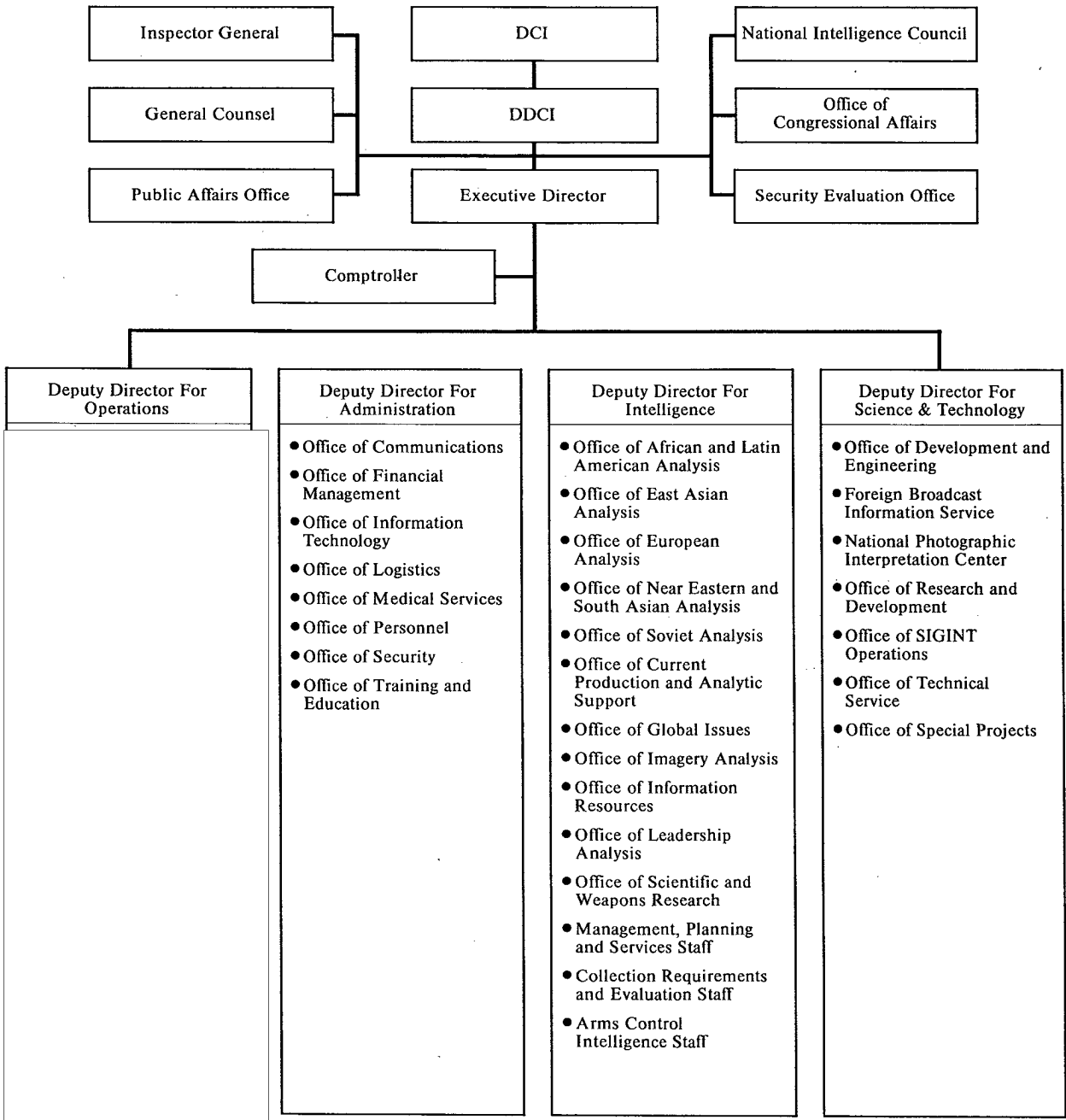
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In addition to CIA and the IC Staff, the Intelligence Community consists of the National Security Agency, the Defense Intelligence Agency, the offices within the Department of Defense responsible for collecting specialized national foreign intelligence through reconnaissance programs, the FBI, and the intelligence elements of the military services and the Departments of State, Treasury and Energy, and the Drug Enforcement Administration. The CIA is in daily contact with these other Community elements on a wide variety of operational, administrative and production-related matters. [REDACTED]

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DELEGATION OF DCI AUTHORITIES

Most of the authorities which the DCI possesses accrue to him by virtue of his being the head of a federal agency, or are uniquely vested in the Agency through implementing legislation: the National Security Act of 1947, the CIA Act of 1949, and subsequent amendments. Aside from a few DCI authorities which cannot lawfully be delegated, the DDCI is authorized to exercise all authorities vested in the DCI by law or by virtue of the Director's position as DCI and head of the CIA. [REDACTED]

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The few DCI authorities that cannot be delegated by virtue of the law include such things as his authority to execute formal claims of state secrets privileges. As a matter of practice, nearly all the other authorities vested in the DCI/DDCI have been delegated to one or another of the Agency's operating officials. Eleven statutory authorities and a few regulatory ones, such as that relating to the establishment of rates of pay for CIA employees, have not been delegated as a matter of policy. A number of the DCI's regulatory authorities have specifically been delegated to the Executive Director. [REDACTED]

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Authorities Delegated to Other Agency Officials

A host of authorities have been delegated over time to other Agency operating officials. [REDACTED]

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Most of these delegations are codified in Agency Headquarters and Field Regulations, which the DDA is responsible for administering, or in DCI Directives, which the IC Staff administers. The two delegations of authority just cited are cases in point. Most of these are codified as well, but some are not. Some delegations have evolved as a matter of policy over the years from a component's assigned mission and functions. Examples of the latter include:

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[REDACTED]

-- Physical security: Under the National Security Act of 1947, the DCI has the legal responsibility to protect intelligence sources and methods from unauthorized disclosure. He is, therefore, also charged with protecting the security of the Agency, its installations, information and personnel, but the Office of Security assists the DCI in discharging this responsibility by means of its worldwide physical, technical, personnel and information security activities. [REDACTED]

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Other Authorities

A truly exhaustive listing of DCI authorities--including those discharged by heads of federal agencies in general, the special authorities that may be exercised by the DCI as a matter of law, those retained by the DCI as a matter of policy, and those delegated to others--are too numerous to mention here. (The Headquarters Regulations alone take up more than half a foot of shelf space.) And the delegations of authority are modified over time to meet changing circumstances. Our policy with respect to Senior Intelligence Service (SIS) promotions and assignments is a good case in point. [REDACTED]

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Former DCI Casey believed that it was important to ensure that promotion to the SIS and assignments within the SIS be considered in the context of overall Agency as well as Directorate needs, so early in his tenure he required that all promotions to SIS-4 and above be approved by him and all those to SIS-1 through 3 be approved by the DDCI; he or the DDCI also reviewed all SIS-level assignments. It became apparent with experience, however, that most GS-15, SIS-1 and SIS-2 assignments to SIS positions within a Career Service were preplanned by the Service and that all resulting recommendations were eventually approved by the DDCI. So authority to approve such assignments was delegated to the Executive Director in 1982. More recently, authority was also delegated for him to approve assignments of SIS-3 officers and assignments to SIS-1/3 positions (except for Chiefs of Station and Deputy DO Division Chiefs or Deputy DI, DA and DS&T Office Directors, which still must be approved by the DCI). When Judge Webster became DCI, he asked the Executive Director to meet with the Deputy Directors and the Inspector General to develop recommendations for him to consider from throughout the Agency for filling every SIS-4 and higher position as vacancies occur in those positions. [REDACTED]

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Whenever a new DCI is appointed and sworn in, he or she will need to promulgate a notice to the effect that all existing CIA orders, regulations, designations and delegations of authority continue in force until otherwise amended, suspended or revoked. [REDACTED]

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CIA'S ROLE IN THE POLICY PROCESS

CIA has the unique role of participating directly in the national security policymaking process without advocating particular policies. The Agency thus must continually walk the narrow path of being policy-relevant but not policy-prescriptive. Its ability to stick to that path is helped by another special attribute: as the Central Intelligence Agency, it is the only member of the Intelligence Community that is not part of a policymaking department but, rather, is dedicated to serving the entire U.S. Government.

Formal Mechanisms

CIA is a regular member of several high-level groups that consider national security policy. The DCI participates in meetings of the National Security Council (NSC) and the National Security Planning Group (NSPG), both chaired by the President. At the next level down, the Deputy Director for Intelligence represents the DCI on the NSC Policy Review Group (PRG), which is chaired by the Deputy National Security Advisor and meets frequently to consider proposed policy initiatives and US responses to current problems. The PRG frames issues and options for later consideration by the NSPG. The Deputy Director for Operations represents the DCI on a parallel body, the Planning and Coordination Group (PCG), which serves as an intermediary between the NSPG and CIA on covert action (CA) matters. It provides guidance and direction to CIA for the implementation of NSPG-approved CA programs. It also reviews CA programs annually, evaluates their effectiveness, and recommends to the NSPG whether they should be continued.

At lower levels, appropriate officers from each of the Agency's directorates participate in a wide variety of Interdepartmental Groups and Senior Interdepartmental Groups responsible for coordinating policy on specific issues.

CIA's participation in these forums has generally been an effective way to ensure that the Agency's interpretation of critical current problems is heard in senior policymaking circles. A shortcoming is that the system is largely crisis-driven; interagency meetings are not convened on many issues that call more for long-range analysis and planning than for crisis-management.

CIA also provides an input to policy planning as a member of the US Intelligence Community, which produces National Intelligence Estimates and other joint products. By virtue of its size, resources, and diversity, CIA frequently plays the leading role in developing the judgments in these Community papers.

Less Formal Contacts

Agency officers frequently meet with senior policymaking officials on a one-on-one basis. The DCI meets weekly with the Secretary of State, the Secretary of Defense, and the National Security Advisor. These sessions give the Director an opportunity to convey newly acquired intelligence and the

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Agency's judgments about current problems, to present the results of recently completed research, to learn of new policy concerns, and generally to exchange views on national security issues. A mechanism for furnishing CIA's daily product directly to senior officials is the President's Daily Brief (PDB), which CIA provides to the Vice President, Secretaries of State and Defense, the National Security Advisor, and the Chairman of the Joint Chiefs of Staff. The Agency officers who deliver the PDB often serve as conduits for questions or special requests from these officials.

Lower-level contact between officers of the Agency and policymaking departments is continuous and voluminous. The Agency has full-time representatives at the Departments of Commerce, Defense, Energy, and Treasury who are responsible for getting intelligence products to where they will be useful and for accepting requests for intelligence support. In addition, there are countless daily communications between Langley and downtown involving analysts, operations officers, desk officers, and managers.

Papers And Planning

Most of CIA's output to the policy community is in written form (including raw reports as well as finished analyses). Many papers are specifically requested from downtown, but many more are initiated by us. Keeping these papers relevant to the policy process requires close consultation with policy officials as analysis and collection efforts are planned. There are some formal procedures for doing this, including periodic reviews of the National Intelligence Topics, of the value of raw intelligence reports, and of the analytic offices' production plans. Informal consultation is even more important. Even with these efforts, the Agency will always face the challenge of anticipating the needs of policymakers who do not think instinctively about how intelligence can support policy planning and who often have little time to define their intelligence needs.

The Road Ahead

The Agency moves into the transition period with less controversy surrounding its relationship with the policy community than at times in the past. The major task will be to stay relevant. To this end:

- CIA should continue to participate in high-level policy coordination groups, even if those groups are revamped and renamed in the new Administration.
- Agency officers at all levels must make special efforts to learn the priorities and programs of the new Administration and to revise their own production and collection plans accordingly. In addition, officials of the new Administration need to be carefully briefed on the covert action process, with emphasis on the limits of CA and the fact that it is the policymaker, not CIA, who drives CA.
- The Agency must help make the new policymakers fully aware of what it can do for them, partly by tutoring them on that subject and partly by marketing its products aggressively.

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RELATIONS BETWEEN CIA AND THE CONGRESS

CIA's relationship with the Congress is less politically charged now than it was two years ago. Nevertheless, inherent strains persist, and important issues concerning the limits of proper Congressional oversight remain to be negotiated with the 101st Congress. []

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The DCI meets monthly with the Chairmen and Ranking Minority Members of the Senate and House Intelligence Committees, and approximately weekly with one or another Member of the Congress. Top officials from the Agency's Operations and Intelligence Directorates brief the House Intelligence Committee every other week on operational and substantive developments, and regular hearings are conducted throughout the year by other officials on a wide variety of substantive, operational, programmatic and budget issues. In the aggregate, CIA officers provide more than 1,000 briefings per year to Members or Committees of Congress, and the Agency's views are sought and valued on a wide variety of issues of concern to the Congress. In addition, the Agency sends more than 4,000 classified publications to the Hill annually and hosts approximately 100 Congressional staff delegations at CIA installations abroad. []

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This range of support is provided primarily to the Senate and House Intelligence Committees; secondarily, to the Defense Subcommittees of the Appropriations Committees, which also have oversight responsibilities; and, on a less frequent basis, to the Armed Services and Foreign Affairs Committees of each House. In all of these encounters, Agency officers are mindful of what we term the "four C's": candor, completeness, consistency, and, where necessary, corrections. At the same time, we continue to protect scrupulously the identities of the Agency's human source assets, our liaison relationships with foreign services, unevaluated intelligence reports from the field, and internal management documents. []

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Statutory Inspector General

In the aftermath of the Iran-Contra investigation, a number of Congressmen proposed that internal oversight in the Agency be strengthened by bringing CIA under the Inspector General Act of 1978. This would entail, among other things, requiring that the Agency's Inspector General (IG) be approved by Congress and that he report directly to the Congress. It would also call for granting subpoena power to the IG. We believe these measures would have a negative effect on the IG's ability to carry out his functions here at the Agency, mainly because our employees would be less willing to cooperate with an outside IG out of fear that confidentiality would be jeopardized, and also because there would be greater risk that sensitive sources and methods would be compromised. []

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The DCI has made clear his opposition to this proposal and has taken a number of internal steps to enhance the role, authority, and effectiveness of the IG in response to Congressional concerns in this area, including the

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establishment of a new program to ensure the appointment of high caliber officers to the IG's staff and the appointment of a new IG with the rank of Deputy Director who reports directly to the DCI. These steps will further increase the value of the Agency's inspection and auditing process to the DCI and component managers. Moreover, the improved process was not something forced on us or grudgingly put in place. It is something we value as a means of maintaining and improving our standards of performance and identifying problems that may have gone unaddressed. [REDACTED]

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Covert Action: Source of Most Controversy

Pursuant to NSDD 286, CIA notifies the Intelligence Committees of any new Finding or Memorandum of Notification within 48 hours of signature by the President. The two Intelligence Committees normally request briefings for the staff and, separately, for Members on each Finding within days of receipt. In addition, each Committee has a system of quarterly or other reviews of our covert action programs, and the Senate Committee has established an Audit Team that reviews selected programs in depth. The House Committee is in the process of organizing its own audit capability. [REDACTED]

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The Committees in general recognize that they are being fully and promptly informed about our covert action activities, but the political considerations surrounding these programs are so important to Members that their close reviews of these programs are certain to continue. In especially controversial cases, the Committees have exercised their authority to terminate or limit funding. In the upcoming Congress, programs related to Central America seem likely to remain the most controversial. [REDACTED]

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Continuing Problems

Three specific problems are likely to bedevil CIA-Congressional relations in the new Congress as they did in the 100th Congress. The first and most troublesome will be the continuing trend toward Congressional micromanagement of Agency programs, ranging from covert action, to personnel and benefits issues, to second-guessing of our analytic conclusions. This Congressional intervention erodes Agency management flexibility and ties up thousands of

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man-hours. A variation of this problem occurs with disturbing frequency when the Congress inadvertently hamstring Agency activities through legislative action in apparently unrelated areas; this, too, requires many hours of monitoring on the part of our Office of Congressional Affairs. [redacted]

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Second, efforts continue by several Members and Committees of Congress to give the General Accounting Office (GAO) a role in auditing Agency activities. Chairman Stokes turned aside frontal assaults by GAO but, with his leaving the chairmanship and with some novel attempts to introduce GAO, this issue will demand close monitoring. Finally, non-intelligence committees continue to claim the right to receive testimony and review Agency activities. The House Judiciary Committee looking into narcotics problems has been the most insistent, but all such efforts need to be channelled toward the

Intelligence Committees lest several committees of the Congress assume de facto oversight responsibilities. The effort to get the intelligence committees to protect their own and the Agency's (sources and methods) interests against the encroachment of other committees has become an almost constant battle, one which is not likely to diminish in the coming session of Congress. [redacted]

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Key Political Unknown

Speaker Wright will be appointing a new chairman of the House Intelligence Committee to replace Chairman Stokes. Although Stokes was personally opposed to certain Agency programs, he was protective of sensitive programs, avoided introducing intelligence matters into public political debate, and supported substantial personnel and financial resources for the Agency. None of these can be taken for granted until we develop a satisfactory relationship with a new Chairman. [redacted]

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Precedent provides no firm guide as to who the next Chairman will be. The most often mentioned candidates include Anthony Beilenson and Robert Kastenmeier, both on the Committee, or David McCurdy, a former Member. [redacted]

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The Senate Intelligence Committee will have two or three new members in 1989, but these are likely to be less politically significant given the lack of change of either the Chairman or the Vice Chairman. [redacted]

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Issues Requiring Action with the 101st Congress

For a variety of reasons, the Intelligence Oversight Legislation (the 48-hour Bill) growing out of the Iran-Contra events died at the end of the last Congress, but it is likely to come up again early in the 101st Congress. After lengthy discussions with Agency officers, the drafters of the

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legislation put together a bill that the Agency can live with in all respects but one: the 48-hour provision. Because this provision unacceptably limits the President's constitutional prerogatives and because the existing National Security Decision Directive on covert action provides for 10-day reviews in exceptional cases anyway, the DCI has registered his opinion that the bill should be vetoed if it passes the Congress. To avoid the possibility of a veto, Congress may drop the 48-hour provision and attach the remaining portion of the Intelligence Oversight legislation to the Intelligence Authorization Act for 1990. [REDACTED]

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On the substantive side, narcotics, Central American issues, and START monitoring are likely to be the most time-consuming and controversial issues on which we will be briefing the new Congress. Significant work in the START area is already underway. [REDACTED]

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EXECUTIVE BRANCH OVERSIGHT

In addition to the National Security Council's role in and responsibilities for reviewing, guiding and directing the conduct of national foreign intelligence and counterintelligence activities, there are two Executive Branch components that have specific national intelligence oversight responsibilities: the President's Foreign Intelligence Advisory Board (PFIAB), and the President's Intelligence Oversight Board (PIOB). Both operate within the Executive Office of the President. []

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PFIAB

The President's Foreign Intelligence Advisory Board is a permanent, theoretically non-partisan body of some 15 distinguished Americans, mostly from the private sector and academia, whose basic function is to review the performance of the Intelligence Community. The Board is appointed by and reports to the President; it has access to all the information necessary to advise him on the quality, quantity, and adequacy of intelligence collection, analysis and estimating, of counterintelligence, and of other important intelligence activities. The Board was first established by President Eisenhower in 1956 and continued in existence until 1977, when it was abolished by President Carter, largely because of its sponsorship of the A-Team/B-Team exercise and Carter's view that the Board had become too politicized. President Reagan reestablished the Board in October 1981. []

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Over the years, the Board has provided valuable advice to the President on a number of important programmatic and functional issues, such as the acquisition and management of high-cost intelligence collection systems, and other bureaucratically sensitive and complex issues, such as overseas security and counterintelligence. The Board has been less useful, however, in addressing substantive issues, which are already subjected to extensive review and competitive analysis within the Intelligence Community. []

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PIOB

The President's Intelligence Oversight Board was created by Executive Order in 1976 in the wake of Executive and Legislative Branch investigations of reported illegalities and improprieties within the Intelligence Community. Its three members are appointed by the President from the private sector (the Chairman must also be a member of the PFIAB), and report directly to him on any intelligence activities that they believe are contrary to law, Executive Order, or other Presidential directive. The Board also forwards to the Attorney General any reports that it receives on possible illegal intelligence activities. It is also charged with reviewing internal guidelines, practices and procedures within the Intelligence Community for discovering and reporting possibly illegal activities, and it may conduct its own investigations of such activities. []

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Within the CIA, both the Inspector General and the General Counsel report to the Board quarterly on matters in their areas of responsibility that relate to illegality and wrongdoing, and the Operations Directorate briefs the Board regularly on covert action initiatives and activities.

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We believe the Board has been pleased with the quality of support and cooperation provided by the Agency. For our part, Agency support to the Board is a time consuming, but not onerous, task. Nonetheless, there might be some logic in combining the oversight activities of the PIOB and the PFIAB, with the PIOB, in effect, becoming an adjunct to the PFIAB and the Agency reporting to one, rather than two, White House element on matters of propriety and illegality.

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LAW ENFORCEMENT ISSUES

CIA's role in the law enforcement arena is defined primarily by the National Security Act of 1947. That Act explicitly prohibits the Agency from exercising police, law enforcement, or internal security powers. The Act also directly charges the Director of Central Intelligence with responsibility for protecting intelligence sources and methods.

As a consequence, the Agency generally does not participate directly in activities that are conducted solely for law enforcement purposes (i.e., CIA does not directly participate in arrests or in criminal investigations). Similarly, the Agency generally refrains from collecting and disseminating intelligence specifically for use as evidence in criminal proceedings when that evidence, or the sources and methods from which it was produced, may be subject to discovery and disclosure. The basic problem for us in this area, then, is determining how best to respond to the legitimate intelligence needs of domestic law enforcement authorities without either violating the prohibitions on our own law enforcement activities or endangering our sensitive sources and methods.

Assistance to Law Enforcement Authorities

Certain types of CIA assistance to law enforcement authorities are permitted under the National Security Act. Executive Order 12333 explicitly authorizes Intelligence Community agencies to provide assistance to law enforcement authorities, and specifically authorizes such assistance in counterintelligence, counterterrorism, and counternarcotics investigations. Over the past several years, CIA has responded to requests for increased assistance to law enforcement authorities, and has enhanced its intelligence collection capabilities in each of these three areas.

The Executive Order permits the Agency to provide two general types of assistance to other federal agencies, including law enforcement agencies. CIA may provide law enforcement agencies with certain training, specialized equipment, technical knowledge, or assistance of expert personnel. CIA may also provide intelligence it has lawfully collected to appropriate law enforcement authorities, but not usually for direct use as evidence. Instead, such intelligence is normally provided for "lead purposes only," to assist the other agency in an ongoing investigation, or, in some circumstances, in interdiction activities.

The Protection of Sources and Methods

The dissemination of intelligence to law enforcement authorities on a "lead purposes only" basis is intended to protect Agency sources and methods from disclosure or compromise. This need to protect sources and methods may clash with a defendant's discovery rights if CIA information is implicated in a criminal prosecution. These concerns are particularly strong in the areas of counterterrorism and counternarcotics investigations, where recently enacted statutes have enhanced the extra-territorial jurisdiction of the United States and made it more likely that activities abroad that are the

subjects of independent CIA intelligence interest also will be the subjects of criminal investigations or prosecutions. Thus, the issue of source protection in subsequent criminal proceedings is likely to arise more frequently in the future.

Although the Agency generally does not provide information to law enforcement authorities for use as evidence in criminal proceedings, such information still may be indirectly implicated in criminal proceedings, particularly if the CIA-provided intelligence is relevant to the prosecution's case, has been used in some other fashion by the law enforcement agency, or contains statements or materials that tend to exculpate the defendant. Additionally, when CIA possesses intelligence derived from electronic surveillance on the subject of a criminal prosecution, that intelligence may be subject to disclosure under Section 3504 of the Federal Criminal Code, even if the information was not used in the criminal prosecution.

In those cases in which CIA sources and methods are implicated in criminal proceedings, Agency attorneys, in conjunction with attorneys from the Department of Justice, have employed a variety of legal procedures to protect classified information from unnecessary compromise. The Classified Information Procedures Act (CIPA) has proven to be a particularly valuable tool in this regard.

Relations with Department of Justice

CIA works closely with the Department of Justice to ensure that Agency assistance to law enforcement is consistent with the National Security Act of 1947 and compatible with the necessity to protect Agency sources and methods. Besides addressing issues regarding the scope of assistance that the Agency may lawfully provide, CIA's Office of General Counsel works with Justice to ensure that CIA collection activities affecting U.S. persons are conducted in a lawful fashion.

CIA also works closely with the Justice Department as a result of the requirement contained in 28 U.S.C. 535 and Executive Order 12333 that we report to the Attorney General possible violations of federal criminal laws by employees and possible violations of certain federal criminal laws by non-employees. The investigation and prosecution of reported violations of law often involves resolving difficult issues concerning the availability of sensitive information relating to intelligence sources and methods, which may be needed by the prosecutor, the defendant, or both, to support their respective legal positions at trial.

Similar concerns arise in cases involving the prosecution of former CIA assets or employees. In a growing number of cases, former assets and employees have claimed that their activities were authorized by or undertaken on behalf of the CIA. This so-called "CIA defense" requires the Agency to take various legal steps, and even produce witnesses for trial, to refute such claims while protecting the sensitivity of the information concerning their former relationships, if any. CIPA has been helpful in these cases as well.

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CONTROLLING CLASSIFIED INFORMATION

The National Security Act of 1947 took particular note of, and gave the DCI special responsibility with respect to, the need to protect intelligence sources and methods. In the context of the times, the primary concern then was the protection of human sources, but the need applies equally nowadays to technical sources. In any case, the need to protect sources and methods has resulted over the years in the establishment and maintenance of an extensive security environment. This environment, and the security consciousness associated with it, becomes second nature to intelligence professionals, but tends to be of much less concern to our consumers in the policy community and elsewhere.

The Agency's Approach

The Agency's first line of defense in protecting and controlling classified information is its own employees. The Agency seeks to ensure that all staff, contract, and contractor employees meet the Agency's high personnel security standards. Initial screening for new employees includes an extensive background investigation and polygraph examination to determine whether the applicant is a potential security risk and whether the individual should be allowed access to classified information. Once hired, employees are polygraphed again prior to completion of a three-year probationary period, and are repolygraphed at five-year intervals thereafter. The polygraph and internal security programs that the Agency has devised are aimed at detecting and preventing hostile penetrations, the compromise of classified information, and other unauthorized activities. We believe the polygraph is a valuable tool in this regard. But it is just that--one of many security tools at our disposal. It is not fool-proof.

To further protect classified information, the Agency disseminates its raw intelligence reports to consumers on a strict need-to-know basis. All reports bear appropriate control markings to restrict unauthorized distribution and use without the originator's approval. In an age of increasing computerization and electronic dissemination, however, there is an increasing need for an agreed government-wide policy governing the electronic dissemination of intelligence information.

Compartmentation

A number of compartmented intelligence programs, known generically as Sensitive Compartmented Information (SCI) programs, have been established to further protect especially sensitive classified information, sources and methods. Personnel who need access to SCI must meet rigorous personnel security standards, and measures protecting the information are set forth in regulatory issuances governing computer security, security of SCI facilities, and procedural document control measures. Efforts were made toward the end of the Carter Administration to consolidate control of all these compartmented programs under the DCI, but bureaucratic opposition from other departments and agencies was so great that the idea was dropped in the early days of the Reagan Administration.

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Prepublication Review

Prepublication review is another tool we use to protect intelligence sources and methods. It is based on a contract between the government and its employees who are given access to sensitive intelligence information. The contract levies two requirements on the employee: not to disclose the information, and, if he or she plans to publish on the subject, to submit the proposed statement to the Government in advance to ensure that it contains no classified information. Other legal remedies available to the Executive Branch to prevent the publication of classified information by employees--a civil suit for breach of contract or criminal prosecution for espionage--can punish the wrongdoer but not save the secrets.

Prepublication review at CIA works fairly and quickly. The Agency makes every effort to complete the review and respond to the author within 30 days. The CIA usually meets--and often beats--this deadline. In the first nine months of 1988, for example, CIA reviewed 240 submissions (over 13,000 pages); 145 submissions were reviewed in 10 days or less; 92 manuscripts required from 10 to 30 days; only three took more than 30 days.

Unauthorized Disclosure

Unauthorized disclosures of classified intelligence to the news media by government employees has become one of the most severe, enduring, and intractable problems in this whole area. The damage such disclosures cause to our technical collection programs, human sources, information exchanges with foreign intelligence services, and other intelligence activities is enormous, as is the cost to the taxpayer that results from the need to replace sources and methods compromised by such disclosures. We have taken a number of procedural steps to alleviate the problem, and have obtained the support of other departments and agencies in implementing them. But there is a widespread lack of security discipline and political will to act against those who give classified information to the media. Strong examples and strong measures are needed to provide leadership in this area, and the start of a new Administration provides a particularly good opportunity to do so.

Some specific steps that may be worth considering include government-wide acceptance of polygraph examination as a requirement for access to sensitive compartmented information; establishment of a coordinating mechanism to approve the declassification and release of classified intelligence information to the media, and ensure that damage to sources and methods is minimized when it is released; development of a uniform government-wide policy on media relationships; and the application of more manpower to the investigation of leaks.

Last but not least, we may want to consider again the politically and legally complicated question of whether more effective legislation is needed to penalize the unauthorized disclosure of classified intelligence by federal employees. The goal would be to help stem the flow of properly classified information to the press and into the hands of hostile intelligence services

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and terrorist groups, not to discourage informed discussion of important national issues or to interfere with those who have legal responsibility for overseeing our activities. On the contrary, such measures could help reduce the heat or friction that now so often surrounds such policy discussions and oversight activities. The recent Supreme Court decision to let stand the use of the Espionage Act in the Morrison case is a step in the right direction, but it represents only one conviction in 70 years.

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EQUAL EMPLOYMENT OPPORTUNITY

Although CIA has not made as much progress in the area of equal employment opportunity (EEO) as we would have hoped, the Agency's EEO program is, nonetheless, producing favorable results. Despite a decline in the number of newly hired personnel in the past fiscal year, the proportion of minority hires increased from 14.5 percent to 15.7 percent in FY 1988 -- [] of whom were white women and [] of whom were minorities. At the close of FY 1988, minority employees represented 11.5 percent of the Agency's full time staff; females constituted 41 percent. []

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Level of Effort

During the year, our Office of Personnel, Office of Equal Employment Opportunity (OEEO), and other Agency components intensified their recruitment efforts across the country to boost minority staff and student intern hiring. For example, the OEEO, often in concert with Agency recruiters and component representatives, participated in some 70 college and high school recruiting sessions, career fairs, and conventions to "spread the word" to minorities on job opportunities at the Agency. The Office of Personnel invited a group of minority coordinators to Washington from some forty major universities for a three-day seminar on career opportunities at CIA and minority recruitment. In the course of all this, the Agency generated 10,045 applicant files, including 7,649 files from our Recruitment Activity Centers around the country and 2,396 from internal Agency sources and external special-interest cases. Twenty percent of the files created were for minorities; 35 percent were for females. Hiring in minority-oriented summer intern programs continued to grow during the year as well. []

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Career Advancement for EEO Groups

Within our full-time permanent work force, there are some [] SIS officers; of this number, [] are females and [] minorities. Promotion rates to the mid- to senior-levels reflect a similar under-representation on the part of females and minorities. Of the [] promotions to GS-15 in FY 88, for example [] went to white males, [] to white females, and the remainder to minorities. As for the [] promotions to and within the SIS ranks during FY 88, [] went to white males, [] to white females, and [] to minorities. []

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With regard to the limited representation of EEO groups in mid- and senior-level management positions, we hope that our recently completed 5-year Affirmative Employment Plan will help correct this imbalance. The Plan, prepared in response to a general requirement levied on all Federal agencies by the Equal Employment Opportunity Commission (EEOC), is designed to accomplish the following over the next five years:

- Increase the percentage of entry-level minority new hires and stem the under-representation of females and minorities at the GS-13 and above levels.

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- Increase minority and female representation in management development training, on career boards, and on assignment and promotion panels, and provide trial assignments that offer management experience and developmental opportunities for females and minorities; insure that all managers and supervisors attend multicultural/equal-opportunity awareness training.
- Expand the pool of "qualified" GS-12 to GS-15 females and minorities through recruitment, developmental assignments, and training, with the goal of making these employees better able to compete with their non-minority male counterparts.

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